

As a result of that special protection, the American consumer is going to pay more for a handful of bestselling drugs—in fact, as much as \$2 billion to \$6 billion more.

If we take Zantac, an ulcer drug as well as the world's best-selling drug, for example, a consumer is going to have to pay twice as much for Zantac.

If we take Capoten for hypertension, for example, we are going to be paying from 40 to 45 percent more for the next 2 or 3 years for Capoten than we would if we corrected this mistake.

Here, for example, is a bottle of Zantac made by Glaxo Wellcome. Typically, you can go to the retail pharmacy and spend \$180 for a 2-month supply of Zantac. If we simply correct the GATT loophole, we would have a generic drug out there within weeks, and the consumer could be buying this same bottle of Zantac for no more than \$90.

Mr. President, that is outrageous. We should be embarrassed. We should be embarrassed if we do not correct this horrendous mistake. There is no conceivable reason why we should allow this loophole to remain uncorrected.

Do you want a second opinion? Ask Mickey Kantor, the U.S. Trade Representative, as well as the Patent and Trademark Office or the Food and Drug Administration. Ask the people who know. All of them agree that this provision should be fixed and that this loophole should be closed.

The GATT negotiators, Mr. President, the people who personally negotiated the treaty itself and who represented this country in those complex negotiations, say without question that a mistake was made.

Even the drug companies which benefit from our mistake and currently enjoy this undeserved profit admit it was all a mistake. In fact, one of their spokesmen, upon reading our legislative error—and realizing they had gained a multibillion dollar windfall—said, "Eureka."

Mr. President, Congress is faced with a choice: Do the right thing, fix the legislative error and save the taxpayers and the consumers money, or cave in to the lobbying and to the deception of several pharmaceutical companies.

Mr. President, that brings us to the third and the last part of the equation; that is, the solution. What is the solution?

Closing this loophole is very simple. It will not change our patents. It will not violate the sanctity of our patent law. It will not alter our trade policy nor the GATT treaty. It simply applies GATT to those free-riding drug companies the same way it applies to every other company and every other product in America.

This amendment would save consumers as much as \$6 billion. The Government would save hundreds of billions of dollars. People are talking about slashing Medicare and Medicaid, and here are billions of dollars that we could save if we would just fix a simple mistake.

Let me add that this is not a partisan issue. It never has been. I hope it will not be. It is about fixing a mistake, saving taxpayer money, and basically doing the right thing.

I know for a fact that many of my colleagues, Republican and Democrat alike, support our amendment. I also know that some of my colleagues have come to me in the last 2 or 3 weeks especially, and have said, "Gosh, we want to vote with you. But we have a Glaxo factory, or we have a Glaxo office, or we have a Glaxo facility in our State, and we do not know if we can be with you or not."

Mr. President, I hope that they will look at the overall picture. There is only one possible reason to oppose this solution. You have to honestly believe that these companies deserve a multibillion-dollar windfall. I do not. You have to ignore the fact that this was a mistake. That is the truth. And you have to believe that the consumers should pay more for those drugs because a legislative drafting error is a sound basis for public policy.

Is that what we believe, Mr. President? I do not believe that is the case in the U.S. Senate.

I have summarized the three pieces of this issue: the loophole, the windfall, and the solution. But there is a dark side to this issue, a shadow cast by a few companies who will enjoy this multibillion-dollar windfall. They have pulled out the stops. They have hired every lobbyist, law firm, and consultant inside and outside the beltway. Their motto is, "Don't confuse me with the facts, because on this one there's just too much money at stake."

This is how a newspaper headline read just last week: "Money Greases Massive Effort to Protect Glaxo Windfall."

Mr. President, Glaxo is the name of the company with the most at stake. They have hired the lawyers, they have hired the lobbyists, and they are here right this minute. They make the No. 1 drug in the world, Zantac. Last year, they sold \$2.2 billion worth of Zantac. Every day Glaxo sells \$6 million worth of this particular drug. That means the windfall for this single company is absolutely enormous.

The amount of money Glaxo has at stake is \$3.6 billion.

That doesn't include the \$300 million for Squibb and the more than \$100 extra million for Searle.

Mr. President, finally, does our proposed amendment violate the sanctity of patent rights? Of course, it does not.

Here is a letter of September 25, 1995, directed to our friend on the other side of the aisle, from Rhode Island, Senator JOHN CHAFEE. It was signed by Mickey Kantor, our U.S. Trade Representative. It says there is no way that it would violate the sanctity of patent rights. Why is this a question at all? Because, with all of the simple facts against them, Glaxo and its cohorts have had to create an issue out of thin air to lobby with.

Does our amendment curtail research dollars? Certainly not. In the case of

Zantac, all of the research on this particular drug was completed 20 years ago. Glaxo has had a 17-year monopoly to collect a fair and deserved return. And does anybody believe Glaxo will commit this money to research? The fact is, the industry still spends more on advertising than it does on research. And when was the last time someone invested money they don't deserve? Look under Glaxo's mattress and look at their campaign donations: that's where this money is going.

In fact, a lot of the underlying research on these products was done at taxpayer expense, not Glaxo's. We fund the National Institutes of Health. We give the industry generous research and development tax write-offs. We protect them in Puerto Rico from paying income taxes by section 936 of the Tax Code. And they still charge the American consumer far more than they charge the overseas consumer.

And now we are about to allow Glaxo and other companies an additional 3 years' worth of illegitimate monopoly. Remember, we are talking about \$6 million a day of competition-free cash on one, single product. Is that what we are all about in the United States Senate? Handing out \$3.6 billion in consumers' hardearned money as an unjustified bonus?

The great Notre Dame football coach, Lou Holtz, formerly coached the Arkansas Razorbacks. Coach Holtz was known for many things, but one thing that is indelible in my mind is his "do-right" rule. Coach Holtz had a rule that if something was not covered in the rule book or if it was a close question or what have you, he would just say, "Let's use the do-right rule."

Mr. President, I think now is the time for the Senate to adopt a do-right rule—to protect the taxpayer and to protect the consumer from an unjustified, undeserved windfall for a few pharmaceutical companies.

On a few occasions in the near future, I will be discussing this GATT loophole again. I hope that my colleagues in this body will help us correct this absolutely unthinkable situation. I trust they will join me in correcting this loophole in the GATT treaty.

I thank the Chair. I yield the floor.

I see no others seeking recognition. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GORTON). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### CHANGE IN MEMBERSHIP OF THE JOINT COMMITTEE ON TAXATION

The PRESIDING OFFICER. The chair announces, on behalf of the chairman of the Finance Committee, pursuant to section 8002 of title 26, United

States Code, a change in the membership of the Joint Committee on Taxation. Mr. CHAFEE has been added to the joint committee. Therefore, the membership of the Joint Committee on Taxation is as follows: the Senator from Delaware [Mr. ROTH]; the Senator from Rhode Island [Mr. CHAFEE]; the Senator from Utah [Mr. HATCH]; the Senator from New York [Mr. MOYNIHAN]; the Senator from Montana [Mr. BAUCUS].

#### INTERNATIONAL ORGANIZED CRIME AND DRUG TRAFFICKING

Mr. GRASSLEY. Mr. President, I want to welcome President Clinton to the effort to deal with international organized crime. In his recent speech to the United Nations, he noted the rising influence of these groups worldwide and the cost they exact from all nations, costs that are borne most heavily by their unfortunate victims. In his remarks he called for greater international efforts to fight criminal organizations. In sounding this theme he is picking up on something that Congress urged the administration to pursue over a year ago in a Senate resolution to the 1994 crime bill.

Whether it is trafficking in drugs or people. Whether through extortion, murder, and corruption. Whether it is the threat of trafficking in chemical, biological, or nuclear agents. Or whether it is massive fraud aimed at banks, businesses, and governments, organized criminal groups exact billions of dollars in damage. And the human costs are even greater. The drug-blasted lives, the fear, the distortion of economics, and the erosion of decent government in many parts of the world are the product of criminal gangs that have fastened onto social life like leeches. These facts have led a number of governments to declare criminal organizations to be national security threats. As the crises in Italy and Colombia, the challenges to democracy in Russia, and brazenness of Mexican Mafias show, no country, developed or developing is immune to the cancer of criminal actions.

And these groups are developing a global reach. They have become multinational thug empires that will stop at nothing to turn an illegal profit. No single government is able to deal with these groups singlehandedly, not even the United States. That is why the Congress has held numerous hearings in the past several years on the threat from these groups and has called upon the administration to take the problem seriously. If we are going to respond to these groups and to their corruption of decent life, we must develop the range of responses that can put these people out of business and in jail.

In this regard, we need the intelligence capabilities to target key groups and their leaders. We need to help other countries strengthen their legal frameworks and their police capabilities to combat transnational criminal groups. We need to tighten up our

financial control capabilities to prevent these groups from abusing our financial and banking systems. And we need international awareness and a common effort to bring these thugs to justice. That is why the Congress enjoined the administration last year to pursue an international convention that would deny these groups safe havens and the benefits of their plunder.

President Clinton has indicated he believes we face a serious challenge. If he intends to translate his rhetoric into deeds, then he will find support in Congress for his efforts. I hope that we shall see serious proposals from the President that will move us down the path of meaningful and sustained action.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ABRAHAM). Without objection, it is so ordered.

#### DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 1996

The PRESIDING OFFICER. Pursuant to the order of September 22, 1995, the Senate will now proceed to the immediate consideration of H.R. 2546, the District of Columbia appropriations bill. Pursuant to that same order, all after the enacting clause of the House bill is stricken and the text of S. 1244, as passed by the Senate, is inserted in lieu thereof, the Senate amendment is agreed to; the bill is deemed read the third time and passed; the motion to reconsider is laid upon the table, and S. 1244 is indefinitely postponed.

So the bill (H.R. 2546), as amended, was passed; as follows:

##### H.R. 2546

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the District of Columbia for the fiscal year ending September 30, 1996, and for other purposes, namely:

##### FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA

For payment to the District of Columbia for the fiscal year ending September 30, 1996, \$660,000,000, as authorized by section 502(a) of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, as amended (D.C. Code, sec. 47-3406.1).

##### FEDERAL CONTRIBUTION TO RETIREMENT FUNDS

For the Federal contribution to the Police Officers and Fire Fighters', Teachers', and Judges' Retirement Funds, as authorized by the District of Columbia Retirement Reform Act, approved November 17, 1979 (93 Stat. 866; Public Law 96-122), \$52,000,000.

##### DIVISION OF EXPENSES

The following amounts are appropriated for the District of Columbia for the current

fiscal year out of the general fund of the District of Columbia, except as otherwise specifically provided.

##### GOVERNMENTAL DIRECTION AND SUPPORT

Governmental direction and support, \$149,793,000 and 1,465 full-time equivalent positions (end of year) (including \$118,167,000 and 1,125 full-time equivalent positions from local funds, \$2,464,000 and 5 full-time equivalent positions from Federal funds, \$4,474,000 and 71 full-time equivalent positions from other funds, and \$24,688,000 and 264 full-time equivalent positions from intra-District funds): *Provided*, That not to exceed \$2,500 for the Mayor, \$2,500 for the Chairman of the Council of the District of Columbia, and \$2,500 for the City Administrator shall be available from this appropriation for expenditures for official purposes: *Provided further*, That any program fees collected from the issuance of debt shall be available for the payment of expenses of the debt management program of the District of Columbia: *Provided further*, That \$29,500,000 is used for pay-as-you-go capital projects of which \$1,500,000 shall be used for a capital needs assessment study, and \$28,000,000 shall be used for a new financial management system of which \$2,000,000 shall be used to develop a needs analysis and assessment of the existing financial management environment, and the remaining \$26,000,000 shall be used to procure the necessary hardware and installation of new software, conversion, testing and training: *Provided further*, That the \$26,000,000 shall not be obligated or expended until: (1) the District of Columbia Financial Responsibility and Management Assistance Authority submits a report to the General Accounting Office within 90 days after the date of enactment of this Act reporting the results of the needs analysis and assessment of the existing financial management environment, specifying the deficiencies in, and recommending necessary improvements to or replacement of the District's financial management system including a detailed explanation of each recommendation and its estimated cost; (2) the General Accounting Office reviews the Authority's report and forwards it along with such comments or recommendations as deemed appropriate on any matter contained therein to the Committees on Appropriations of the House and the Senate, the Committee on Governmental Reform and Oversight of the House, and the Committee on Governmental Affairs of the Senate within 60 days from receipt of the report; and (3) 30 days lapse after receipt by Congress of the General Accounting Office's comments or recommendations.

##### ECONOMIC DEVELOPMENT AND REGULATION

Economic development and regulation, \$139,285,000 and 1,692 full-time equivalent positions (end-of-year) (including \$66,505,000 and 696 full-time equivalent positions from local funds, \$38,792,000 and 509 full-time equivalent positions from Federal funds, \$17,658,000 and 260 full-time equivalent positions from other funds, and \$16,330,000 and 227 full-time equivalent positions from intra-District funds): *Provided*, That the District of Columbia Housing Finance Agency, established by section 201 of the District of Columbia Housing Finance Agency Act, effective March 3, 1979 (D.C. Law 2-135; D.C. Code, sec. 45-2111), based upon its capability of repayments as determined each year by the Council of the District of Columbia from the Housing Finance Agency's annual audited financial statements to the Council of the District of Columbia, shall repay to the general fund an amount equal to the appropriated administrative costs plus interest at a rate of four percent per annum for a term of 15 years, with a deferral of payments for the